



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Sentrix Pharmacy and Discount, L.L.C.

Respondent Name

XL Specialty Insurance Company

MFDR Tracking Number

M417-3109-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

June 21, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "... the claim was submitted on 6/27/16 and it was received by the carrier shortly thereafter ... On 7/12/16 Gallagher Bassett ... reviewed the services rendered on 6/27/16 and issued a partial payment of \$457.23 and the rest of the payment as a duplicate claim.

Given the above response, this claim was inappropriately denied. The Pharmacy had submitted a second request for reconsideration (on 2/7/17) and it was received by the carrier on 2/11/17 ... On 4/1/17 the Carrier submitted an EOB stating that the time limit for the filing had expired. The provider sent a letter explaining that the time limit had not expired for the bill according to Texas Administrative Code, yet the carrier relied with the same denial in an EOB on 5/12/17."

Amount in Dispute: \$787.27

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "... \$457.23 – allowed at billed charge ... \$278.52 – submitted code 5897800308 denied as: This procedure code or National Drug Code (NDC) is not valid for this date of service. Resubmit the bill with a valid procedure code or National Drug Code (NDC) ... \$508.75 – submitted code 5897801707 denied as: This procedure code or National Drug Code (NDC) is not valid for this date of service. Resubmit the bill with a valid procedure code or National Drug Code (NDC)."

Response Submitted by: Gallagher Bassett

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
June 27, 2016	Pharmacy Service - Compound	\$787.27	\$377.08

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §133.20 sets out the procedures for submitting a medical bill.
3. 28 Texas Administrative Code §134.502 sets out the procedures for pharmaceutical services.
4. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.
5. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 16 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.
 - 181 – Procedure code was invalid on the date of service.
 - 29 – The time limit for filing has expired.
 - 18 – Duplicate claim/service.
 - 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.

Issues

1. Is XL Specialty Insurance Company's denial of payment for timely filing supported?
2. Is XL Specialty Insurance Company's denial of payment relating to NDC codes supported?
3. Is Sentrix Pharmacy and Discount, L.L.C. (Sentrix) entitled to additional reimbursement?

Findings

1. Sentrix is seeking additional reimbursement for a compound dispensed on June 27, 2016. Gallagher Bassett, an agent of XL Specialty Insurance Company (XL Specialty), denied the disputed compound with claim adjustment reason code 29 – "THE TIME LIMIT FOR FILING HAS EXPIRED."

28 Texas Administrative Code §133.20(b) states, in relevant part, "Except as provided in Labor Code §408.0272(b), (c) or (d), a health care provider shall not submit a medical bill later than the 95th day after the date the services are provided."

Documentation provided by Gallagher Bassett on behalf of XL Specialty includes Explanations of Benefits for the compound in question submitted on July 8 and July 11, 2016. This is less than 95 days from the date of service.

The division concludes that Sentrix submitted a medical bill for the compound in question to the insurance carrier within 95 days from the date of service, as required by 28 Texas Administrative Code §133.20(b). XL Specialty's denial for timely filing is not supported.

2. Sentrix is seeking additional reimbursement of \$787.27 for a compound with the following ingredients:
 - Salt Stable LS Base, NDC 00395602157, 85.2 gm
 - Baclofen 4%, NDC 38779038808, 4.8 gm
 - Amantadine 8%, NDC 38779011109, 9.6 gm
 - Amitriptyline 2%, NDC 5897800308, 2.4 gm
 - Gabapentin 5%, NDC 58597801407, 6.0 gm
 - Ketoprofen 10%, NDC 5897801707, 12.0 gm

Sentrix is seeking reimbursement of \$0.00 for Salt Stable LS Base and Baclofen. Therefore, these ingredients will not be considered in this dispute. Gallagher Bassett denied Amantadine and Gabapentin with claim adjustment reason code 16 – "CLAIM/SERVICE LACKS INFORMATION OR HAS SUBMISSION/BILLING ERROR(S) WHICH IS NEEDED FOR ADJUDICATION."

The division finds that NDC 38779011109 as billed and requested indicates a drug other than Amantadine. Therefore, this code is not valid for the ingredient in question. No reimbursement can be recommended for this ingredient.

The division finds that Gallagher Bassett's denial of Gabapentin for this reason is not supported. This ingredient will be reviewed in accordance with the appropriate fee guidelines.

Gallagher Bassett denied Amitriptyline and Ketoprofen with claim adjustment reason code 181 – “PROCEDURE CODE WAS INVALID ON THE DATE OF SERVICE.”

The division finds that NDC 5897800308 and 5897801707 as billed and requested are not valid NDC codes as required by 28 Texas Administrative Code §134.502(d)(1). Therefore, these ingredients will not be considered for reimbursement.

3. 28 Texas Administrative Code §134.503 applies to the compounds in dispute and states, in pertinent part:

- (c) The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:
- (1) the fee established by the following formulas based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed:
 - (A) Generic drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount;
 - (B) Brand name drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.09) + \4.00 dispensing fee per prescription = reimbursement amount;
 - (C) When compounding, a single compounding fee of \$15 per prescription shall be added to the calculated total for either paragraph (1)(A) or (B) of this subsection; or
- (2) notwithstanding §133.20(e)(1) of this title (relating to Medical Bill Submission by Health Care Provider), the amount billed to the insurance carrier by the:
- (A) health care provider; or
 - (B) pharmacy processing agent only if the health care provider has not previously billed the insurance carrier for the prescription drug and the pharmacy processing agent is billing on behalf of the health care provider.

The compound in dispute was billed by listing each drug included in the compound and calculating the charge for each drug separately as required by 28 Texas Administrative Code §134.502(d)(2).

Reimbursement for Gabapentin is calculated below:

Ingredient	NDC & Type	Price/ Unit	Total Units	AWP Formula §134.503(c)(1)	Billed Amt §134.503 (c)(2)	Lesser of (c)(1) and (c)(2)
Salt Stable LS Base	38779038808 Brand Name	\$3.36	85.2 gm	\$312.04	\$0.00	\$0.00
Baclofen 4%	38779038808 Generic	\$35.63	4.8 gm	\$213.78	\$0.00	\$0.00
Amantadine 8%	38779011109 Invalid NDC	\$0.00	9.6 gm	\$0.00	\$232.60	\$0.00
Amitriptyline 2%	5897800308 Invalid NDC	\$0.00	2.4 gm	\$0.00	\$45.92	\$0.00
Gabapentin	58597801407 Generic	\$62.84	6.0 gm	\$471.30	\$377.08	\$377.08
Ketoprofen 10%	5897801707 Invalid NDC	\$0.00	12.0 gm	\$0.00	\$131.67	\$0.00
						\$377.08

The total reimbursement is therefore \$377.08. This amount is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$377.08.

ORDER

The outcome of this medical fee dispute relied upon the evidence presented by the requestor and the respondent at the time of adjudication. Though all the evidence may not have been discussed, it was considered. Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the division has determined the requestor is entitled to additional reimbursement for the disputed services. The division hereby ORDERS the respondent to remit to the requestor \$377.08, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

_____ Signature	Laurie Garnes _____ Medical Fee Dispute Resolution Officer	December 1, 2017 _____ Date
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YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with Rule §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012.**

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.